

**Testimony of
Mr. James A. Duit
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Edmond, Oklahoma**

**Submitted to the
Committee on Transportation and Infrastructure
U.S. House of Representatives**

**“Improving and Reforming Our Nation’s Surface
Transportation Programs: Oklahoma City – Oklahoma Field
Hearing”**

**February 24, 2011
9 a.m.**

Good morning Chairman Mica and distinguished guests. My name is Jim Duit, and I am the President of Duit Construction Co., Inc., in Edmond, Oklahoma. I appreciate the opportunity to appear before you during this field hearing, and to share some perspectives about Improving and Reforming Our Nation's Surface Transportation Programs.

In addition to my role with Duit Construction, I have served as the 2001 Chairman of the American Concrete Pavement Association, as well as similar leadership roles with the ACPA-affiliated Oklahoma/Arkansas Chapter.

In addition to presenting my views about ways to improve and reform our nation's surface transportation program in the state of Oklahoma, I also am pleased to present a few national perspectives as a contractor member of the American Concrete Pavement Association, the Associated General Contractors of America, and the American Road & Transportation Builders Association.

If there is a fundamental lesson learned from the recession our nation has been struggling with for the past several years, it is that the traveling public demands and deserves the highest value for their hard-earned dollars.

As highway contractors, we recognize the importance of value. We also have been living in an era of doing more for less money for many years. Indeed, the recession has forced many in our industry to do so.

In 43 years in the construction business, I can tell you one of the most difficult things for many contractors is to eliminate personnel and take away the livelihood of people who want to work and need to work. In addition to the human toll, layoffs and downsizing also affects our economy, because the people affected will have less money to spend on essentials, let alone to replace durable goods or even think of buying many discretionary items. Of course, layoffs and closings also have affected many communities, which means that tax rolls have declined at every level of government. At the same time, government bears the burden of providing financial aid to unemployed or underemployed workers.

The broad construction industry has not realized sustained growth, and worse, the industry continues to hemorrhage badly in terms of the losses it has endured for several years.

Discussions about belt-tightening are not resonating well in the industry, particularly as so many contractors have been forced to lay off employees and shut down operations.

At present, the construction industry is facing 22.5% unemployment, according to the most recent figures from the Bureau of Labor Statistics' (BLS) website. The national average unemployment rate is about 9%, down from 9.7% since October 2010. In sharp contrast, the

construction industry's unemployment rate have increased from 17.3% to the current 22.5%.

This is more than double the average unemployment rate for the nation.

I would be remiss if I did not say the industry looked upon The American Recovery and Reinvestment Act with great hope. Indeed, this much-needed initiative helped stabilize the overall economy and reduce unemployment.

I had the opportunity last year to report to the U.S. House Transportation & Infrastructure Committee on the impact of ARRA, and there were certainly many areas of the country where our industry and the road using public benefited from this important legislation.

Unfortunately, there were regions of our country where our industry was not included in the investment mix, and the public did not benefit from the long life highway solutions our industry delivers so well.

As you know, one of the goals of ARRA was job creation, but for many contractors, this was more about *retaining* personnel than *creating* new jobs. Even where ARRA helped stabilize the economy and reduced unemployment, it did so only on a temporary basis. Now, without an adequately funded, long-term highway bill, some of those gains are already being reversed.

It is fair to say that many contractors believe the situation is at a tipping point. There is great concern that more belt-tightening runs the risk of compromising the safety, performance, and longevity of our surface transportation system. At the same time, we are concerned this

expectation may place further hardship on the businesses and agencies, as well as all the people who work to build and maintain our highways and bridges.

Notwithstanding these concerns, we also recognize the need to maximize value and to do everything we can to make every dollar count. From the concrete pavement industry's perspective, there are three primary focal points that are essential to the successful delivery of our highway infrastructure in the future. They are the applied research and technology transfer investment; streamlining project delivery, and optimizing the efficiency of construction investments.

Applied Research and Technology

In SAFETEA-LU—and in fact, going back to TEA-21—Congress included research provisions that fostered innovation among the highway construction industry, highway agencies, and academia. This enabled us to collaboratively develop materials and processes that increased the value of public monies used for roadbuilding. One prime example of this is the funding that went into concrete overlay research. Overlay technology allows us to remove a few inches of an existing distressed roadway surface, and then place new concrete, which greatly extends the life of the pavements.

This means that instead of replacing entire roadway pavements, we are using a lower cost, high value process to extend the life of the roadway. This technology also reduces costs and streamlines the delivery process significantly because it makes both the design and

construction process simpler and faster. It also has value to motorists, businesses, and residents because there are fewer disruptions and traffic delays and more time between repair cycles than we see with quick fixes.

The acceptance and use of this technology is possible because of the federal funding that supported both cooperative research and the technology transfer activities that put those research results and technological improvements into the hands of state highway agencies, designers, and contractors across the nation.

Research and development also yield processes and products that increase competition, which in turn, means greater value to taxpayers. Competition also translates directly to improved quality, durability, and longevity of our highways and bridges.

Streamlining Project Delivery

One of the ways we can improve the delivery process is through streamlining, and this should begin with a prioritization of the most essential aspects of the project, those that directly impact the core infrastructure. This means that a clear distinction should be made between the “must have” versus “nice to have” program and project elements.

Streamlining also should avoid the all-too-common occurrence of diverting funds or expending time, money, and human resources on layered bureaucratic processes. Unfortunately, we have seen projects delayed because of often redundant and complex federal requirements.

In his remarks on the House floor, Representative Jim Lankford, warned that “We are regulating common sense out of Federal, State, and local governments, and we are costing State and local taxpayers millions in unfunded mandates.”

He described an example where the Oklahoma Department of Transportation simply needed to replace an old out-dated bridge with a new bridge. Instead of being able to do this quickly and efficiently, the process was delayed as the agency had to navigate through the Clean Water Act, the National Historic Preservation Act, the Endangered Species Act, the Migratory Bird Act, and many more. All the while, people continued driving over an old bridge. In this case, the process clearly could have been improved. We believe it is essential to streamline regulatory requirements so that we can meet the core requirements of our nation’s highways.

If we consider Congressman Lankford’s example, it is clear to see some of the challenges of layered federal bureaucracy, as well as the associated monetary and time expenditures that impede project state agencies and contractors from delivering projects more efficiently. With improvements in streamlining regulatory compliance and greater latitude in scoping and scheduling projects, state highway agencies and contractors across the nation could better deliver projects that meet economic, performance, and safety parameters.

Another important aspect of meeting the most critical needs involves the close coordination among all the stakeholder groups. Oklahoma tops the list of states where exceptional

collaboration and partnering are a way of life.

Oklahoma Department of Transportation Secretary Gary Ridley and his staff do a great job of collaborating with all stakeholders. One example of this collaboration can be seen in Quality Initiative Task Forces, which are comprised of Oklahoma DOT personnel, suppliers, and contractors. These task forces focus on ways to prevent and solve problems; implement new technology; reduce costs; and otherwise strive to ensure the greatest value possible. This model would have great value to other highway agencies and stakeholders throughout the nation.

Another example of how project delivery could be streamlined is by improving the integration of automated machine guidance. Many contractors today use global positioning systems (GPS) to guide grading and paving equipment, which speeds project delivery and reduces costs. Unfortunately, contractors who need the data must collect and enter it into plans manually because of concerns about liability among consulting engineering firms and agencies. Were there safeguards in place for the design community, there would likely be more confidence in providing those data, and as a result, projects could be delivered more efficiently.

Streamlining also would occur if there were greater incentives for emerging highway technology to be implemented on a more consistent and widespread basis. Far too often, new materials and processes take a decade or more before they are implemented, but with the right systems in place, states could implement improvements faster and more consistently.

Earlier, I spoke about prioritizing the core elements of programs and projects, and one example of this is in the architecturally pleasing features – pictures and designs on walls and bridges—that can add significant time and cost to projects. Many of these could be deferred and applied retroactively in better economic times, which would have not only expedite project delivery, but would also be more in keeping with the austere times that so many states are facing.

Optimizing Construction Investments

The concrete pavement industry lives by the mantra of “getting in, doing things right, getting out, and staying out.” We believe it is not a wise investment to continue the cycle of short-term fixes, when longer-term solutions provide the best value.

It is for this reason that we believe strongly that a fair, objective, and consistent life-cycle cost analysis should be used with highway construction and rehabilitation projects.

One very important key to life-cycle cost analysis is sustainability, the balance of environmental, societal, and economic factors. Sustainability is not a trend; it is here to stay, and we firmly believe that it will become increasingly important in the specification process. In relative terms, the transportation construction community is doing much in this area, and there are many examples of how re-use, recycling, and source reduction have been used.

Fully optimizing sustainable construction practices and realizing the full benefit of doing so requires taking a 30,000-foot view, and evaluating factors related to both the production phase (generally everything up to and including construction) and the operational phase or what is also called the use-phase, which relates to the use of the highway.

Current and future research that may increase energy efficiency during the production phase includes:

- Recycling and re-use of pavement after they have served their useful life.
- Developing and adopting highly efficient equipment, as well as methods for evaluating and improving constructability.
- Increasing the use of industrial byproducts in concrete, which not only enhances performance, but also help reduce the cement content.
- Reducing and eliminating construction waste and increasing the use of recycled water.
- Developing and adopting highly efficient equipment to minimize fuel consumption and emissions generated during construction.

These include improvements that may be realized through the maintenance, rehabilitation, and recycling operations and those that directly benefit the highway user and surrounding communities.

Current and anticipated research that addresses improvements in energy efficiency during the use phase includes:

- Increased pavement longevity, minimizing future maintenance and reducing user costs and delays resulting in significant energy savings.
- Fast-track or expedited repairs and rehabilitation of concrete pavements to reduce construction time and congestion and associated wasted energy from vehicles delayed through work zones.
- Precast pavements/slabs for rapid repair and replacement of concrete pavements, particularly where minimal disruption to motorists and businesses is imperative.
- New and improved in-place recycling techniques that save energy by eliminating any need to transport materials to and from a crushing and processing facility.
- Highly reflective surfaces that require less illumination, saving lighting energy and lowering the overall energy required for cooling urban areas.
- Optimized pavement surface textures that reduce tire-road noise, particularly in urban settings.

Conclusion

Mr. Chairman and distinguished guests, it is our view that although a long-term highway bill would address many of these concerns, we believe it more important to have the **right** program in place than just to have **a** program in place. We would support a six-month (or longer) continuing resolution, particularly if it meant we could agree on the scope of the program as well as the means to fund it.

We appreciate the opportunity to share with you these few ideas of how the available dollars can be invested more efficiently to realize the highest possible value. If there is one silver lining to the current recessionary climate, it is the expectation and hope that efficiency and value should be the watchwords and best practices of the transportation-construction community for all time.

Although we believe that the three platforms of investing in research and technology transfer; streamlining project delivery, and optimizing construction investments, will be impactful, we cannot in good conscience suggest that these will be enough.

Credible sources have long held the United States is in dire need of a massive infrastructure investment. Among these sources are the American Association of State Highway Officials, American Society of Civil Engineers, the National Surface Transportation Policy and Revenue Study Commission, Reason Foundation, Heritage Foundation, Milken Institute, Miller Center National Transportation Policy Conference, National Commission on Fiscal Accountability and Reform, and others).

This would be a wholesale change from what many people expect, but without significant investment, the risks are real and significant in terms of safety, global competitiveness, and the reliability of our multimodal transportation system, which always has and always will rely heavily upon highways.

Our industry has gone on record in strong support of a nominal motor-fuels tax increase, which would be the first since 1993. Unfortunately, the response is that the topic is a "non-starter." We submit that it must be part of the long-term solution, and there have been many studies, polls, and reports that support that a nominal increase would not only be accepted by citizens, it would also be barely perceptible amid the day-to-day fluctuations in retail fuel prices. Those fluctuations, clearly trending upward, are often measured in double digits and sometimes occur several times per month in many markets.

I urge you to consider these suggestions in the spirit of enhancing the safety, performance, and durability of the Federal-aid highway system.

Thank you Mr. Chairman and members of the Committee. I will be happy to entertain any questions you may have.

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COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name:

James A. Duit

(2) Other than yourself, name of entity you are representing:

Duit Construction Co., Inc.

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

☒ YES

If yes, please provide the information requested below and attach your curriculum vitae.

☐ NO

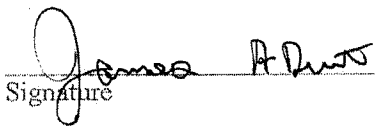
(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

FOR FISCAL YEAR 2011

O.D.O.T. - 100604 - INTERSTATE MAINT S-LU EXT - \$13,041,382.34

O.D.O.T. - 090151 - NHS-NATL HIGHWAY SYS S-LU - \$4,747,640.36

Signature



02/21/2011.

Date

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Mr. Duit is President of Duit Construction Co., Inc. a family owned Heavy Highway Construction company in central Oklahoma. He formed his company in 1969 in Iowa Falls, Iowa. In 1981 he relocated his business to Edmond, Oklahoma and built his company into an organization in excess of 350 employees performing work in Oklahoma and the surrounding states.

Mr. Duit has 42 years experience in heavy highway construction. He served as 2001 Chairman of the Board of the American Concrete Pavement Association. Has also served as the past Oklahoma/Arkansas Chapter Chairman of the American Concrete Pavement Association, Past President of the Oklahoma Association of General Contractors and member of the Board of Directors of A.O.G.C., I.P.R.F., A.R.T.B.A. and T.R.U.S.T. As well as chairman of many technical advisory boards and technical committees.

Duit Construction Co., Inc. has received numerous honors and awards, including 38 National and numerous State A.C.P.A. Awards for Excellence in Construction of Major Airports and Highways utilizing Portland Cement Concrete in multiple states.

Mr. Duit is a graduate of Iowa State University. He was also co-winner of the 1996 NOVA Award for the Paradigm-in-Place Concrete Recycling System. The NOVA Award captures the spirit of international Construction innovations.